



Agenda Date: 5/7/03
Agenda Item: 7A

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

CUSTOMER ASSISTANCE

IN THE MATTER OF PUBLIC SERVICE ELECTRIC)
AND GAS COMPANY REQUEST FOR CLOSURE)
OF THE ELIZABETH CUSTOMER SERVICE CENTER)

ORDER

DOCKET NO. EE03020120

(SERVICE LIST ATTACHED)

BY THE BOARD:

Notice that Public Service Electric and Gas Company ("PSE&G") is seeking to close its customer service center at 531 North Broad Street, Elizabeth, New Jersey ("Elizabeth CSC"), was submitted to the Board by letter dated February 7, 2003. PSE&G stated the closure is due to the fact that the New Jersey Schools Construction Corporation ("NJSCC"), a subsidiary of the New Jersey Economic Development Authority ("NJEDA"), has notified PSE&G that it will exercise the authority of eminent domain with respect to the premises in which the center is located. PSE&G advised the Board that the NJEDA chose the site in conjunction with the Elizabeth Board of Education and the property is for the construction of a new school facility. By subsequent letter dated April 16, 2003, the NJSCC informed PSE&G that it must vacate the premises at 531 North Broad Street in Elizabeth, New Jersey, by May 14, 2003.

As PSE&G is being forced to close the Elizabeth Customer Service Center because of the NJEDA's exercise of eminent domain, PSE&G argued that the specific requirements of N.J.A.C. 14:3-5.1(c) should not apply. The Board's regulations and procedures, as characterized by PSE&G, only apply "in the event that a utility desires to close or relocate an office." N.J.A.C. 14:3-5.1(c). Accordingly, PSE&G requested that the Board find the specific procedures set forth in N.J.A.C. 14:3-5(c) do not apply to this situation. In the alternative, PSE&G requested that the Board waive the requirements of this regulation, and accept the February 7, 2003, letter and procedures outlined therein as satisfying its requirement for the closing of the Elizabeth CSC.

Specifically, PSE&G stated that it intends to provide the following notices to customers and affected municipalities:

- A bill notice will go to all PSE&G customers;
- A notice of alternative payment locations (Western Union Offices) in Elizabeth will be given to customers using the Elizabeth CSC and posted on the door once the center is closed (in both English and Spanish);
- Office closure notices will be conspicuously posted at the Elizabeth CSC (both a pre-closing notice and a post-closing notice, in both English and Spanish);
- A customer handout will be used by collectors and Elizabeth CSC associates, informing customers of the closing and providing access information for other offices and alternative payment locations (in English and Spanish);
- Directions to nearest CSC via both a customer handout and, upon closure, office window posting (in English and Spanish);
- Local social and senior agencies will be notified so they can inform their clients
- A telephone trunk line message for the Collections Call Center (City of Elizabeth trunk line only) and the Inquiry Center, providing closing information and alternative center/payment facilities;
- All telephone call center personnel will be prepared to provide information concerning the closing and alternative locations;
- Publication of a notice of the closing will be placed in appropriate area newspaper; and
- Written notice will be provided to the clerk of the City of Elizabeth.

Based upon the information provided to staff, although it stated its intent to provide the foregoing notices, PSE&G did not provide customers an opportunity to present to the Board, in writing, any objections they may have regarding the office closure consistent with N.J.A.C. 14:3-5.1(c)2.

In its notice, PSE&G further informed the Board that despite a search of numerous potential locations, the Company has been unable to find suitable office space for the relocation of the Elizabeth CSC. According to PSE&G, all available properties require extensive renovations or construction, lack sufficient on-site parking or have other significant characteristics that diminish their ability to be used as a customer service center. PSE&G notes that with the closure of the Elizabeth CSC, the Company would still have 15 customer service centers located in its service territory, the closest to Elizabeth being the CSC located at 80 Park Plaza in Newark, New Jersey and that customers would also have the option to pay their utility bills at various Western Union offices in Elizabeth. PSE&G subsequently informed Staff that the usual fee for utility payments at Western Union will be waived by PSE&G.

On May 2, 2003, the Division of the Ratepayer Advocate's office ("RPA" or "Ratepayer Advocate") filed comments with the Board regarding the office closure. The RPA believes that PSE&G should establish a temporary CSC immediately and that the Company should be.

required to have in place a permanent replacement CSC in Elizabeth within thirty days of issuance of this Board Order. The RPA also noted that PSE&G should be required by the Board to comply with the regulations set forth in N.J.A.C. 14:3-5.1 (c) and carry out the notice procedures outlined above.

DISCUSSION

Contrary to PSE&G's argument that N.J.A.C. 14:3-5.1(c) should not apply due to the fact that the closure is based upon the exercise of eminent domain, this regulation covers all circumstances involving office closures which impact consumers, and is not limited to any specific set of facts. When a utility requests closure of an office, the impetus for the request is not an issue.

Pursuant to N.J.A.C. 14:3-5.1(c)(1):

At least 60 days prior to the closing or relocation of an office ...a utility shall apply for approval with the Board, demonstrating that such closure or relocation **is not unreasonable** and **will not unduly prejudice the public interest**, and setting forth the means, upon Board approval of the application by which customers and other interested parties will be adequately notified of the closing or relocation and alternatives available in the case of a closed office.

[emphasis added]

Thus, Board approval of a closure is dependent upon an analysis of the impact the closure would have on the customers within the affected community and surrounding area so as to determine whether closure would be "not unreasonable" and would "not unduly prejudice the public interest." In this instance, the facility is located in an urban area and is essential to the community. PSE&G advised staff that the Elizabeth CSC is utilized by 14,000 customers monthly, providing a total of 10,000 customers the ability to pay their bills at a CSC and 4000 customers the option of speaking with an actual customer service representative concerning utility related issues. Based upon the reported use of this customer service center, it is unreasonable and would prejudice the public interest to relocate this office outside the Elizabeth area. The volume of customers utilizing this office and the pattern of use, coupled with the density of the urban area, warrants that approval of the closure be carried out with the least amount of harm to utility customers. Significant import must be given to the displacement of customers who may not have the economic wherewithal to travel outside of Elizabeth to handle utility matters.

The Board therefore FINDS that it is reasonable, in light of the facts of this matter, to condition approval of the closure upon the opening of a temporary facility within Elizabeth, whereby residents can be provided customer service absent the inconvenience and burden of traveling outside their community. While the Board recognizes that this facility is subject to a condemnation proceeding and must close, PSE&G must open a temporary facility within Elizabeth to service customers pending the opening of a new permanent facility within Elizabeth. Accordingly, approval of the closure of the Elizabeth CSC shall be conditioned upon the temporary opening of an alternate CSC within Elizabeth which will be determined upon

consultation with the Mayor of Elizabeth, and is prefaced upon the establishment of a permanent Elizabeth CSC. PSE&G shall make every effort to open the temporary CSC in Elizabeth by May 14, 2003, to coincide with the closure of the office at 531 North Broad Street. Should the temporary office not be opened by May 14, 2003, the Secretary of the Board shall determine whether PSE&G has made a good faith effort to open such an office. If, after review, the Secretary believes that PSE&G has not made its best effort, then this matter shall be brought back to the Board at its next agenda meeting for further consideration. PSE&G shall be required to report to Board Staff on a weekly basis regarding its progress and must report to the Board within 60 days from the date of this Order, the status of its search for a permanent CSC location in Elizabeth. Copies of all such correspondence shall be provided to the Ratepayer Advocate.

For the foregoing reasons, after careful review of PSE&G's filing, the Ratepayer Advocate's comments, and the public interest involved, the Board HEREBY ORDERS that PSE&G is authorized to close the Elizabeth CSC located at 531 North Broad Street, Elizabeth, New Jersey, and ORDERS that, as a condition thereof, PSE&G shall open a temporary facility within Elizabeth, upon consultation with the Mayor of Elizabeth. In addition, the Board HEREBY ORDERS, that on a weekly basis, PSE&G shall report to the Director of the Division of Customer Assistance, with a copy to the Ratepayer Advocate, its progress in establishing a permanent CSC in Elizabeth and within 60 days from the date of this Order, PSE&G shall report to the Board, with a copy to the Ratepayer Advocate, its findings regarding an alternate location to resume customer service activities in a permanent customer service center located within Elizabeth. Accordingly, the Board HEREBY APPROVES the closure of the Elizabeth CSC located at 531 North Broad Street, Elizabeth pursuant to the above conditions precedent. The Board HEREBY DENIES the request for a finding that the provisions of N.J.A.C. 14:3-5.1(c) do not apply in this matter and HEREBY DENIES the request for a waiver of N.J.A.C. 14:3-5.1(c) insofar as it requires Board approval of an office closing. Although PSE&G did not fully comply with the notice requirements of N.J.A.C. 14:3-5.1(c)(2), it has stated its intent to provide certain notices, and the impending condemnation of the property, along with our requirement to establish a temporary facility, warrants that the Board, at this juncture, waive the other requirements therein, and the Board so ORDERS conditioned upon PSE&G providing the notice set forth in its February 7, 2003 letter and establishing a temporary CSC.

PSE&G shall TAKE NOTICE that if it fails to comply with this Order, including if it fails to give the required notice, fails to open a temporary customer service center without making good faith efforts to do so, fails to report its progress in establishing a permanent CSC in Elizabeth to Staff on a weekly basis and/or fails to report its findings to the Board concerning a permanent facility in Elizabeth within 60 days of the date of this Order, the Board will take such further action as may be necessary, including, but not limited to, the imposition of such penalties as provided by law.

The Board HEREBY ORDERS that by May 14, 2003 PSE&G shall file with the Board, with a copy to the RPA, proof of its compliance with the provisions of this Order requiring notice and establishment of a temporary facility, including copies of notices given and the address of the temporary facility, or, in the event that PSE&G has not established a temporary CSC, the proof of compliance shall include a detailed accounting of its efforts to establish a temporary location in Elizabeth.

DATED: 5/12/03

BOARD OF PUBLIC UTILITIES
BY:

SIGNED

JEANNE M. FOX
PRESIDENT

SIGNED

FREDERICK F. BUTLER
COMMISSIONER

SIGNED

CAROL J. MURPHY
COMMISSIONER

SIGNED

CONNIE O. HUGHES
COMMISSIONER

SIGNED

JACK ALTER
COMMISSIONER

ATTEST:

SIGNED

KRISTI IZZO
SECRETARY

IN THE MATTER OF PUBLIC SERVICE ELECTRIC
AND GAS COMPANY REQUEST FOR CLOSURE
OF THE ELIZABETH CUSTOMER SERVICE CENTER

SERVICE LIST
Docket No. EE03020120

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